

**Child Support Enforcement  
Task Force  
February 23, 2006**

**Members present:** Mike Schwindt, James Fleming, Keith Berger, Vince Gillette, Wendy Jacobson, Joe Belford, Darrell Vanyo, Robert Freed, Bernice Delorme, Brad Davis, John Waller, Lisa Kemmet, Terry Traynor, Sen. Tom Fischer, Rep. William Devlin, Sally Holewa, and Ron Anderson

**Also present:** Paul Kramer, Kathy Ziegelmann, Heidi Ahl, and Terry Whitmore

**Members absent:** Scott Griffeth and Dan Richter

Schwindt welcomed the group and announced that Richter will not be in attendance at this meeting. Traynor will be arriving later.

Schwindt distributed the revised agenda and asked if there were any add-ons or changes. None noted.

**Approval of minutes** The minutes from the last Task Force meeting held on November 8, 2005 (previously mailed and also available on the Child Support Enforcement Web site), were approved with no changes.

Fleming noted that due to a member's email difficulties, members may be seeing some "test" emails.

**Incentive distribution rules** Schwindt referred to the minutes of the Sub-Committee on Incentive Distribution meeting (these are also available on the Web site) held on November 18, 2005. Members of the Sub-Committee were: Schwindt, Jacobson, Davis, Traynor, Berger, and Fleming.

Berger said the Sub-Committee put together something they thought would be workable. The Sub-Committee wanted to do something to address consistency. They addressed the 80%/20% and left it to the state and regional offices to determine, year-to-year, on what the program should work. The program may want to focus on different areas at different times. The proposed rule is out for public comment, and some questions have now arisen.

Schwindt said the public hearing on the proposed rule is scheduled for Friday, February 24, 2006. Fleming mentioned the public comment period is open until March 6, 2006. Schwindt said the proposed rule was drafted based on the conclusions reached through the Sub-Committee; that the Sub-Committee's consensus points were used as a basis for the proposed rule.

The proposed rule was reviewed. As proposed, the existing rule is being repealed and replaced by a new section. There are "layers" within the proposed rule.

In subsection one, of the 95% of the incentives available, 25% is retained by the state and 75% is paid to the counties.

In subsection two, the 80% (federal performance measures)/20% (performance incentives) is addressed as well as the three-year phase-in.

Subsection three addresses weighting; the incentives will be allocated among all applicable federal performance measures by weight. In response to a question from Delorme, Schwindt said the caseload weights are looked at about once per year.

Fleming said that once an amount of incentives is determined to be payable to the counties under the first three subsections, subsection four states that up to 20% of a regional office's incentives may be retained by the Department of Human Services (DHS), in increments of 5% per notice, if it is determined that people do not receive a level of service that is substantially similar to the level of service provided by other regional offices to similarly situated people. The regional office would be notified in writing of the fact that funds are being retained and directed as to what steps need to be taken to resolve the inconsistency. If the regional office complies with the directive within 30 days, or any longer period authorized by DHS, the regional office would receive the funds.

Holewa wondered what would happen if the reason for retaining the funds was unfounded. Freed wondered about the effect on resources if, in a situation in which a regional office is doing exceptionally well in one area but not good in another, the regional office gets notice and puts resources from one area to another. Fleming said it was designed in accordance with the statute, and there would be problems if there would be disparate treatment as a result.

Delorme asked if there will be technical assistance from the state office. Schwindt responded that the regional offices can receive assistance from the state office and from other regional offices within the state. In response to a question from Delorme, Schwindt confirmed that assistance is already available, but there is not a separate pot of money for it. Fleming added that we are talking about one regional office not doing something that the others are. Delorme asked how resources are brought to bear. Schwindt said this is where the program has talked about peer reviews to transfer knowledge across regional office lines.

In response to a question from Waller, Fleming said he doesn't see this being used for performance on federal measures; rather it will be used on areas that are more tangible. In response to a comment from Waller about language regarding "level of service," Fleming suggests that a written comment on the proposed rule be submitted, and asked that specific suggested language be included.

Davis said the concern of the regional office administrators was they felt that it should be tied to noncompliance with a specific directive such as a policy or a General Counsel

memo. That way there would be something specific that was violated, rather than just someone's perception. In response to a question from Fleming, Davis said that a formal comment on the proposed rule will be made in this regard. Fleming said there is only so much specificity that can be contained in the rule. He said the retention of incentives will not be taken lightly.

Subsection five provides for what happens if any funds are retained under subsection four.

Under subsection six, counties must set aside funds for centralization or specialization projects. Berger commented on the "any funds received in excess" language and stated that counties had about \$200,000 more in incentives than what was projected. He said it would be hard to budget based on excess funds. He said that more will be said on this at the public hearing. Fleming said that County Social Service Board directors received a letter from Schwindt that addressed this. In part, it said that if the amount set aside exceeds the amount needed to fund the costs of centralized or specialized projects, the difference could be used by the counties like other incentives. In response to a question from Gillette, Fleming said the county should not be looking exclusively at incentives to fund.

Schwindt said the idea is to improve the program. He will also be talking later about federal budget changes.

Sen. Fischer wondered if there should be additional timelines in the proposed rule. Under the rule, DHS could distributed the retained incentives to other regional offices. The regional office may be working on doing corrections, but may need to come up with funding, work with county commissions, etc. But the money may have already been distributed under the proposed rule after 30 days because there are no timelines in the rule. Schwindt said it will depend on what the problem is. Sen. Fischer said that he is not concerned with the timelines in the proposed rule, he is concerned about the timelines that are not in there. Schwindt said it comes down to what the problem is and how long it will take to fix it. Delorme said that maybe at least be sure the corrective action plan is done within 30 days. Schwindt briefly reviewed the process between the state and the federal government. The state has 30 to 60 days to submit a corrective action plan. That was the thought process with this. Sen. Fischer wondered what recourse the regional offices have if they do not agree. Schwindt said there is accountability with the legislators and the governor's office. Davis said that when the regional administrators talked about it, they didn't talk so much about that concern, as much as they wanted the potential violations to be narrowed down to something identifiable, like violation of a policy. If a regional office is not complying, identify it, rather than doing it arbitrarily. They really didn't get into talking about what recourse a regional office may have. Sen. Fischer reminded the group that the administrative rule will be law. There was some discussion about the timing. Sen. Fisher said that perhaps it may be better without the timelines. Freed commented that the "trust us" approach gets people into court all of the time. Perhaps the rule should have language

in which DHS will notify the regional office and give the office a date certain (e.g., number of months) to get it fixed. If fixed, funds will be distributed to the regional office. If not fixed, the funds will be distributed to the other regional offices. Fleming said that, in reality, it is 120 days out before anything happens with the funds. Freed responded that there may be changes (e.g, staff changes at the state office level) down the road. Fleming reminded the group that comments on the proposed rule need to be made part of the record; the minutes to this meeting will not be part of the rulemaking record. Comments need to be made in writing or during the public hearing to get them part of the record.

In response to a question from Davis, Schwindt said DHS does not earn interest on the retained incentive funds.

There was some discussion as to why some counties have asked DHS to hold earned incentives over to the next year, with Berger and Davis providing some explanation.

Schwindt asked if there was anything further on the proposed rule. Hearing nothing, he reminded the group of the public hearing and encouraged those with comments to get them in during the comment period.

**Centralization projects** Since the last Task Force meeting, two RFPs have been issued: (1) outgoing interstate and (2) asset seizure. The submissions have been received and reviewed by a team, and recommendations have been made to the DHS Executive Office. The next step is the announcement of the results.

The areas of locate and income withholding/National Medical Support Notice/employer relations are not as far along. There has not been a consensus as to whether there should be centralization or specialization in these areas.

In response to a question from Holewa, Fleming said the RFP process is confidential. He can say the evaluation process was difficult because there were multiple good proposals.

In response to a question from Delorme, Fleming said centralizing or specializing the tribal area has been discussed, but there are differences among the tribes. It may be that we look at how we can improve services on reservation cases. For example, it may be that there are specialists who work with specific tribes. Fleming also mentioned that there are IV-D attorneys licensed to practice in some tribal courts. Schwindt mentioned that there is a legislative interim committee looking at Tribal/State issues; this committee met on Tuesday of this week.

Delorme asked if it was the plan for a tribal child support enforcement program to collect from both American Indians and non-American Indians. Schwindt said if there is an application, services must be provided.

In response to a question from Gillette, Schwindt said each region allocates their costs among the counties differently. Schwindt said he hasn't asked Minot or Williston how it works in those regions. There was some discussion about cost allocation.

In response to a question from Gillette, Schwindt stated that Three Affiliated Tribes is now federally funded for a tribal child support enforcement program. Since there will be a tribal program starting up, it is likely that there will be some "double counting" of those cases. If an individual applies with the tribal program, they can also have a case open with one of the regional offices or another state. In response to a question from Gillette, Schwindt said the costs will go down in some cases and not in others (depending on whether the individual closes their case with the regional office). In response to a comment from Waller, Fleming stated that cases should be taken out of "LJ" (lack of jurisdiction) function if they can be successfully worked. For example, the regional office may want to take a case out of "LJ" for paternity establishment if that can be accomplished, then place it back in "LJ" if it cannot be enforced.

Delorme said it seems there should be memos of understanding between the regional offices and the tribes. Schwindt said that any agreement would be between the state office and the tribes, and would include consideration of the regional offices.

Gillette said he is trying to figure out if costs will go down.

Delorme commented that families will be going back and forth between on the reservation and off. There was a brief discussion on jurisdictional issues.

Schwindt referred to a letter to Carol K. Olson from the County Social Service Board Directors, dated February 16, 2006. In the letter Larry Bernhardt raises issues regarding the impact of the federal budget cuts on the funding of special projects. Schwindt said it is on hold for now. Schwindt said he doesn't think there are any "show stoppers" with respect to the new federal legislation. Berger said this needs to be put in perspective. Counties were going to set aside 5% and leverage that amount of money. The concern is that if incentives are used to fund special projects and the incentive match goes away, there will be a shortage. This may cause problems with the budget next year and we will need to go back to each county. He said he believes everyone is in favor of special projects, but it is a funding issue. Raising the issues was not meant to be mean-spirited, but counties don't want to hit a bump in the road in two years. Perhaps all of the funding for the special projects should come out of incentives.

Schwindt said the federal budget changes won't take effect for a while. Waller said there is a concern that it just gets going, and then the county will be left holding the bag. Schwindt said to keep in mind: there will be another legislative session before the changes are made; we don't know what the federal funding cuts will really mean; and federal legislation has been introduced to repeal the funding cut. The vote on the bill last time was very close; we don't know what will happen. Schwindt said DHS is sensitive to not leaving the counties holding the bag.

Schwindt said he will be going to Dallas in March to learn more about what the federal cuts mean. In response to a question from Waller, Schwindt said he didn't know if he would know anything more on the cuts before the Dallas meeting. Schwindt said he wanted the group to be aware of the letter. He doesn't know yet what the DHS response will be. (Post meeting note: DHS is proceeding with the centralization process by notifying proposers of its acceptance of the asset seizure (Dickinson) and outgoing interstate (Grand Forks) proposals.)

Schwindt said he knows the regional offices are anxious to see how centralization projects end up for staffing and budget issues and says the process can't be delayed much longer.

**Funding** Fleming reviewed a handout to illustrate the effect of federal legislation prohibiting federal match of incentive funds, on program funding. The handout uses 2004 data. The first page is without the loss in federal match, and the second page is with the loss in federal match. The third page provides a side-by-side comparison.

Basically, using the 2004 data, it would mean \$1.3 million of incentives would be ineligible for match. That would mean the total cost submitted for federal match would be \$9.1 million instead of \$10.4 million. The program funding from federal match, therefore, would be \$6 million instead of \$6.8 million (66% of \$9.1 vs. 66% of \$10.4). This would result in decreased SWAP revenue to DHS. Schwindt said that \$800,000 would be lost SWAP revenue.

(At this point, Schwindt reminded the group to complete travel vouchers and that a hotel bill is needed, if appropriate.)

Schwindt handed out a document from CLASP. He said it is probably as good of a summary as is available on the recently passed federal legislation (Deficit Reduction Act of 2005). Schwindt began by reviewing the funding changes along with the potential impact to the program.

- Elimination of federal matching on incentive funds. (Also discussed earlier.) This will take effect on October 1, 2007.
- Federal match on genetic testing costs will be reduced from 90% to 66% effective October 1, 2006 ; for North Dakota this amounts to about a \$25,000 hit. Other states may fight it, but North Dakota does not plan to take this issue on.
- There will be a mandatory \$25 annual program fee for those individuals who have never received TANF, when collections reach \$500 during the year. Schwindt said we will need to give creative thought on how to deal with this. Of the \$25 fee, two-thirds will go to the feds and one-third to the state. There will be \$200,000 in automated programming costs on our side. It should generate about \$600,000 per biennium. In nonIV-D cases, we process the money (\$32 million was processed on nonIV-D cases last year). Currently, there is no fee attached to that. If a family is TANF or post-TANF, there would be no annual fee for our services. If family is Medicaid or foster care, or if there is an application, there would be the annual fee

for our services. If nonIV-D, there would be no annual fee. Therefore, those facing the fee may close their IV-D case, which means DHS will process more money using pure general funds. As an alternative, if we place a bigger fee on nonIV-D (like Minnesota does), we will likely see people go from nonIV-D to IV-D, which will increase the caseloads at the regional offices. It is an interesting dilemma facing us. Delorme asked if the state office has ever cost-out the processing of a payment. Schwindt said there is not so much cost relating to the payment, but more with the customer service component. In response to a question from Sen. Fischer, Schwindt said that he wasn't sure what the effect was in Minnesota when the fee came into play; it happened a long time ago. He said he has learned from other states that about 90% move to IV-D. He said current law would allow the program to charge on nonIV-D cases. However, it may be decided that this will be pursued legislatively. There are options as far as dollar-specific amount for the fee or a percentage. Schwindt said if we go to 15%, it would pretty much fund our general fund needs.

- There is a provision for funding the Federal Parent Locator Service (FPLS) which is a good thing.
- Pre-assistance assignments will be eliminated in 2009.
- State option to discontinue older assignments. This becomes effective after October 1, 2008.
- Federal share is waived if states, in some situations, "pass through" support to TANF or post-TANF families. When talking about "pass through," you are talking about general fund state impact. A few years ago, it was a few million dollars in general funds.
- State option to eliminate the special distribution rule for federal tax offset.
- Mandatory review of orders in TANF cases every three years. We already do that, so no impact on us.
- Medical support establishment and enforcement provisions. This will be a bit of a change for us. For example, the custodial parent will be brought more into the picture. The feds are allegedly issuing a redefinition of "reasonable cost" of health insurance. It has been hung up for years; supposedly it will be on the fast track now.
- Passport denial threshold is reduced from \$5,000 to \$2,500; this should increase collections.
- Tax offset will be available for adult children; this will increase the amount of arrears that may be submitted.
- State option involving shipping cases back and forth to other states for quick enforcement action.
- FPLS match with federal insurance data. Schwindt said we know we need to protect some of the payments; that is, we won't necessarily want to take some of the insurance settlements. In response to a question from Waller, Schwindt said that we can define ourselves what types we pursue. We can also determine not to send certain cases.

In response to a question from Delorme as to whether tribes are using the same computer systems as the states, Schwindt said that most of the tribes are running manual systems. In Oklahoma, however, the tribes do access the Oklahoma state system. In Wisconsin, two tribes do access the state system and two do not. He said one of the things being discussed with Fort Berthhold is how we are going to share information.

Schwindt continued on with the CLASP article which includes some of the legislative proposals for the 2007 federal budget.

- Require health care plan administrators to notify the program when a child loses health coverage.
- Authorize federal seizures of accounts in multi-state financial institutions.
- Require gambling proceeds intercept. Schwindt mentioned that we have lottery offset in North Dakota. The Attorney General's office, in which the Lottery Division is located, has access to our file. There was some discussion about application on tribal casinos; Schwindt said the requirement would only apply if the tribe had a child support enforcement program.
- Authorize garnishment of Longshore and Harbor Worker's Compensation Act benefits. No real impact on us.
- Increase funding for access and visitation programs.
- Provide direct tribal access to FPLS.
- Authorize contractors, and tribes with child support enforcement programs, to access tax offset data. Schwindt said this has been a problem for a while.
- Permit states to withhold a limited amount of social security OASDI (Old-Age, Survivors, and Disability Insurance) payments. Schwindt said this was more of a "feel good" provision than anything else.
- Additional money for healthy marriage competitive grants.

**Structure options – Advantages/disadvantages** Schwindt provided a handout. The information on the service delivery system is also in members' binders. On the other side of the handout provides information regarding states' structures; information that was also provided at the last meeting.

Schwindt said if one looks at the information regarding how states are structured, you will see categories of state, state/county, and combination, but they are often not "pure" structures. For example, a state-supervised/state-administered structure may include a contract with some counties for services.

Schwindt also had sent out a document from PSI on privatization. Information includes how states are using privatization for varying purposes. Also includes reasons as to why a state should privatize.

Schwindt said eventually the Task Force is going to have to determine whether to recommend if there should be a change in the structure – either programmatically or



financially. He said the floor is open for discussion; there are advantages and disadvantages to each of them.

(Traynor arrived at this point in the meeting.)

Kemmet said she looked at states that had some privatization and looked at how they were doing on the incentives and found that North Dakota does better than they do. In response to a question from Holewa, Schwindt said that privatization is an option in North Dakota. Waller said that even from the information provided in the PSI report, it doesn't show an improvement in districts that were privatized. Schwindt said that private entities are held accountable; trade one for the other. Gave an example – some privatized State Disbursement Units (SDUs) are held responsible for money errors. In response to a question from Waller, Schwindt said that, in most states, privatization is usually done for a service or function, not an entire office. In response to a question from Jacobson, Schwindt said that not all of the 39 state-supervised/state-administered programs have privatization.

Vanyo remarked that he was intrigued by how many of the things that were being touted as benefits to privatization were things that we are doing, or could be doing, without privatization. He said that sometimes it is not so much the type of structure, but the tools used to deliver a service. For example, there is a lot to be gained by technology, regardless of structure.

Jacobson said that if we stall out on the special projects for which money has been set aside, one of the items that has been identified by the regional administrators is to get information from the system to assist them. She wondered if we could look at getting this done from the system. Schwindt said this item has to do with using the federal OCSE-157 report data and running it more frequently. He said the amount we have allocated is for the two-year period. He said it depends on what we spend it on; that is, what moves to the top. He said he didn't know the priority right now. There is a long list of needs. There are 80 some big jobs. License suspension is one of them; this needs to get out so it is easier for regional office to process these. Also true with interest suppression. We either need to find a way to address it with technology, or it is very labor intensive. Also, there is a push for ITD to make sure we don't turn back a lot of money like we did last biennium; it is not like we don't have the work. Question is – which one gets worked on first.

Vanyo said, as a starting point, he would toss out some thoughts. His work entails a lot of large systems and large changes. He deals with it in this manner. State an objective, study, analyze, design, and develop a plan with cost/benefit analysis. Have a plan and evaluation for each. Discuss and implement the selected one. He finds it frustrating that there is a push to implement without going through a process. He said he is not against state administration if the other steps are done. He would want to see that it is going to lead to improvements and will not cost the taxpayer more. What is broke? We don't really know which is better than the other. We are already working toward improvements. What objective beyond that do we want? There has been

consensus for centralization/specialization, and yet we don't yet know even the results of that baby step. He said he can operate with facts in front of him.

In response to comments by Gillette in which he cited some of the funding numbers, suggested how funding may occur, and how it could be a county-run operation, Schwindt responded that there would still need to be a "state office" per federal requirements.

Belford said he agrees with Vanyo's position and philosophy. He also said it is a burden to get money to help offset the costs of the two reservations.

Schwindt said he wondered at what point we start the process. Kemmet said we don't yet know if centralization/specialization is going to work. Waller said that proposals for centralization/specialization were put together with assumptions that there are savings to be found. He said when the Devils Lake office put together their proposal, there was the benefit of the regional office looking into it to see where the savings could be found. He thought it would have been better if the state office would have said this is where savings could be found and ask the regional offices how they would do it.

Vanyo said there needs to be a methodology, and then do the things stated in the methodology. There should be a plan that lays things out. One needs to put something on the line if one is for something – "I can get us this and this;" it shouldn't just be – "I want state administration." He wondered who is accountable if it goes the other way. There should be multiple options, along with costs, and expected results and improvements. Identify that the rating will be this, collections will be this, etc., and not just generalizations.

Schwindt said that back in 2000, as part of the state performance audit, structure was looked at by Maximus, and the conclusion regarding state administration is in the report. That audit went through the numbers and he can provide that information. Kemmet remarked that the report is five years old. Vanyo said that there have been improvement since that report. Davis said that the credibility of the report went right out the window for him when right at the beginning of the report, it said improvements would be would be 25%. (Post meeting note: The report Davis referred to is the "Final Cost Analysis" report from TMR-Maximus, dated February 12, 2001. The report does not state improvements would be 25% with state administration. The report offers explanatory notes for spreadsheets addressing the "Effects of Recommendations to Improve North Dakota CSE on Incentives and Collections" which include state administration-related assumptions. Generally, these assumptions include estimating, based on efficiencies produced by state-administration, that 10% of the individuals needing paternity would have paternity established; 10% of cases without orders would receive orders; 10% of the uncollected support would be collected; and about 10% of cases with arrears in nonpaying status would become paying cases.") Davis said if something is not broke, why make changes? We are continually looking for ways to improve.

Berger said there are two options from his perspective. He has been in a lot of meetings and knows there are many entities involved with the program in its current structure – Social Service Board Directors, County Commissioners, regional administrators, etc. If the program stays county-administered, there needs to be a good memorandum of understanding as to how things will be done. The county doesn't run the Food Stamps program, as an example. In the Child Support Enforcement program, there are some regional offices under the State's Attorneys' offices and some under the County Social Service Board. There is turf protection. He thinks it should either be state-administered or there should be a memorandum of understanding that clearly sets things out.

Traynor stated that there are eight regional offices that have the same responsibilities and same level of costs but they are different tax bases. The regional structure created an unequal funding problem for the counties. Maybe if the conclusion is to keep it county-administered, we need to look at how we fund it in a more equal way. There is a lot of time spent by the state and county offices to determine how to make it work better and a lot of it has to do with the money. If we deal with that part of it (i.e., the funding) perhaps a lot of the angst would be removed. He also mentioned that the Food Stamps has a formula that drives it.

Holewa said she comes from an outside perspective. She has no interest one way or another. She said that when dealing with a federal office, they look at the state as a whole, not at individual regions. It is nice to say "local control," but need to look at the bigger picture. Bottom line is that the feds look at North Dakota as a state, not a collection of counties. Service delivery should be the same. She likened it to the court system – the pathway to the courtroom door should be the same for everyone.

Delorme mentioned identifying what the core functions are, and what the secondary functions are.

Belford agreed that we need to build in uniformity. Need to sit down and come up with a process to treat everyone the same. He said we may need for the state office to put together some numbers and get them out to the group, so there are some options on the table.

Sen. Fischer reminded the group that SB 2301 was a reality. The charge is to review with all of the stakeholders. He said he can understand what Vanyo is saying regarding implementation. He said it needs to be in the form of a recommendation to the next legislative assembly. There is not a choice right now. It is the rules that can make it happen in a certain way. If there is a consensus, or a majority, that there are recommended changes to SB 2301, perhaps that it is where some of the focus should be from now until the report is due. He said he agrees that evaluation after the fact is not always the best way to do it. He said he thinks there have been improvements in both the state and local offices; it is hard to say who does better.

Schwindt said if one goes back to the state-administration recommendation from Maximus, they did not say that North Dakota has a bad program; it was that it could be so much better than what it is. If you look at where we are, we are not so bad compared to peers. Pennsylvania beats us on only one measure. How we are doing depends on how you look at it. Delorme said that maybe we shouldn't compare ourselves to other states; rather just look at ourselves. Holewa added, however, that we get judged by the feds.

Waller said he doesn't doubt there are areas where we can improve efficiencies; he just doesn't know that restructuring would get us there. At least not until he sees the numbers.

Schwindt said a Sub-Committee would be formed – and asked who wanted to work on this subject. After Schwindt asked for Vanyo's participation, Vanyo read part of the Task Force language in SB 2301 and asked who was going to work on gathering the information. He said he can participate but would look to leadership being in the state office since it is the state office that is determining that a change should be made. He wondered where it is laid out how many staff you would have, where it is laid out the specific goals that would be achieved, etc. He said he can participate but the driving force is the people that think the change is necessary. He said he does understand the problems with some of the regional offices. He just thinks there can be other things done besides state-administration. He said the effect on Indian counties is an issue and he doesn't discount that a bit. He said, however, that someone needs to be the driving force. Need to sit down in a planning state. This is no different than how it would be handled in the private business world.

Sen. Fischer said Devils Lake received extra money because they made a convincing argument to the Legislature. Put together a convincing argument. Last session there were options that could have been taken but there were issues cited both ways. Legislature decided to pass SB 2301 and it is law. As a Legislator, he appreciates local testimony, with good preparation. Would like to see a united front, the state and the regions working for the public – fiscally, morally, and legally – to put something together. He said that using numbers rather than percentages can make a difference. Sometimes percentages don't tell the tale. There are times when it should be calculated in numbers.

Belford said their additional appropriation has to be included in the budget and said they need some stability. Maybe the Sub-Committee can work on the issues to present to the larger Task Force. Thinks we should move forward.

Schwindt suggested the Sub-Committee that worked on incentives distribution should also be on this Sub-Committee, plus some additional members. The sub-committee membership: Schwindt, Jacobson, Davis, Traynor, Berger, Fleming, Vanyo, Delorme, Waller, and Kemmet. Belford said he wants to sit in on it; Schwindt said that would be fine. This group will lay out a plan.

Jacobson said that she thinks we need to get a plan and we need to get moving. She said we need to be able to accomplish something.

Fleming said that perhaps two meetings will be needed.

It was decided that the Sub-Committee on Program Structure would meet on Thursday, March 23 at 9:00.

**Staff/PIQ study** Fleming referred to previously sent material regarding personnel issues addressed in the 2005 state administration bill.

One of the areas of SB 2301 mandated a review of the classification and compensation of all state and county employees engaged in child support enforcement activities. Job descriptions have been sent in from the state and regional offices; they are with DHS human resources and will then go to central office human resources. Will need to identify the complexities, and determine if the classifications are appropriate. Job descriptions will need to be compared to align the positions with like responsibility then see if they are correctly classified today.

Issues relating to benefits and other personnel issues were addressed during the last legislative session. There were amendments made to SB 2301, while the bill was still a state-administration bill, which hopefully provide assurances to county staff. We want to keep experienced staff. Assurances include immediate merit system protection; there would be eight regional offices; there would be no probation if the employee had successfully completed probation at the county level; the transfer of annual leave and sick leave was addressed; years of service would transfer; forced re-location would be subject to a hearing; accrual of leave would accrue at the same rate as when employee was with the county; and staff would be ensured of getting the county salary raise. There would be cash-out of sick leave. There was some discussion during the legislative session that DHS may be taking on too much cost regarding unused sick leave.

Rep. Devlin said he was not sure how it was sorted out, but there was a concern about the possibility of a gap in insurance coverage if the individual's health insurance coverage in the county was not through PERS. Fleming said that more research is needed to see what counties have for "tail" coverage. If there is tail coverage for one month, there should be no gap. Devlin said it was legislative intent that they be covered. Fleming agreed, saying this is something that everyone wants. Traynor asked if most are in PERS retirement system - may be an actuarial issue. Schwindt said he thinks all regional offices are part of PERS for retirement.

**National Medical Support Notice (NMSN)** Freed expressed concerns relating to the NMSN. There are times when a custodial parent does not have insurance available at no or nominal cost, and the noncustodial parent has it available through his or her employer. The employer receives a NMSN from the regional office, and because of the

cost of the employment-related coverage, there is not enough money to be withheld for the premiums.

The regional office is writing to the noncustodial parent saying that the noncustodial parent has to get insurance for the child. The noncustodial parent requests a court hearing.

According to the NMSN statute, if the health insurance coverage is not provided, then the NMSN is sent.

Freed said there are other health insurance policies out there that are more affordable, and he is wondering why the regional office isn't telling the noncustodial parents about them; what is the prohibition against that? Sen. Fischer brought up the fact that there may be differences in coverage between the policies.

Fleming said that this can be looked at during the next review of the child support guidelines.

There was discussion about if there are options for paying premiums through the SDU; how to dove-tail medical support with child support; and dollar-specific medical support. Fleming said he had posed the scenario with the regional offices, and he believes they do not have tunnel vision as far as eligible insurance policies. Schwindt said in the past, there were 20-some coverages identified, but the kabash was put to that because of concern with promoting a certain policy. There are also now concerns with becoming ineligible for CHIP. And what about Indian Health Services (IHS)? Under federal interpretation, it counts for IV-D purposes as satisfactory health insurance.

Freed said that perhaps there needs to be a statutory limit on deductibles, copays, etc. Schwindt said that, as a point of reference, the NMSN statute addresses what basic coverage is. He said that some states open up CHIP for the noncustodial parent to buy into. Davis mentioned that Ziegelmann is doing a session at the Family Support Council Conference on this topic. She will be gathering information and from that, perhaps there may be something that could be sent out to noncustodial parents. Davis said that the majority of cases don't get to the hearing stage. The noncustodial parent contacts the regional office and they discuss options. Freed said that in a hearing he was told by a Bismarck regional office attorney that they weren't allowed to, when Freed had asked why policy options had not been discussed with the noncustodial parent. Davis said they cannot recommend a particular insurance company, and that they had discussed that the possible alternative was to get a list of coverages. However, that list would be constantly changing.

**Next meeting** The next meeting of the Task Force was scheduled for Thursday, May 11, 2006, at 1:00 p.m.

**Adjourned.**